

Stakeholders	Engagement approaches and mechanisms	Key communication channels
Business partnerships	<ul style="list-style-type: none"> Contractual relations Development and signing of co-operation agreements Regular working meetings Joint working groups with Russian and foreign project partners Participation in conferences and forums 	<ul style="list-style-type: none"> Publication of information on the Company's operations on the corporate website and dedicated procurement sites Mass media
Consumers and customers	<ul style="list-style-type: none"> Passenger service Catering on trains Passenger satisfaction surveys Marketing campaigns Informing on the Company's operations Charity events Volunteer events 	<ul style="list-style-type: none"> Feedback channels: <ul style="list-style-type: none"> Questionnaire survey Single help desk Mobile app Company's website Public reporting by the Company Infotainment system "Poputchik" (Fellow Passenger)
Media and NGOs	<ul style="list-style-type: none"> Press releases and other materials with information on JSC FPC's activities Responding to requests from the media Media assistance during filming at infrastructure facilities 	<ul style="list-style-type: none"> Company's website Mass media Industry-specific media Social networks, Telegram channels Events for external audiences
Educational institutions	<ul style="list-style-type: none"> Targeted admission of students Vocational guidance Benefits for JSC FPC employees' children Joint research and cultural initiatives Participation of JSC FPC's employees in school activities 	<ul style="list-style-type: none"> Company's website Mass media Social networks of the Company and educational institutions
Social partnership actors	Engagement with trade unions in the social protection of employees and non-working retirees	<ul style="list-style-type: none"> Meetings Corporate events E-mail

HR Management

Corporate Social Responsibility Principles

The main goal of the Company's HR policy is to develop human capital. This is achieved through:

- Attracting labour resources
- Ensuring continuous training and development of personnel
- Improving the incentives policy
- Caring for employee health
- Ensuring social stability
- Creating a favourable working environment in labour collectives

The purpose of the HR policy is to build human capital and supply the Company with qualified employees in the appropriate numbers at a cost-effective rate. This is achieved by following a number of principles.

The principles of the HR Policy:

- Areas and priorities of the HR Policy should ensure the implementation of the Company's strategic goals
- Attraction and retention of personnel
- Systematic training and continuous development of personnel
- Creation of conditions for the employees' personal growth
- Remuneration for the result, thus stimulating the achievement of the Company's strategic goals

The Company advocates for personal freedom and human rights and excludes any form of discrimination in a workplace. When it comes to respecting human rights, the Company focuses on occupational safety, wages and prohibition of slave labour and child labour.

One of the Company's primary goals is to protect the lives and health of its employees. Ensuring safe working conditions in the workplace and at railway transport facilities and preserving the lives and health of employees are the priorities of the HR Policy.

JSC FPC welcomes equal opportunities for all. In accordance with the current legislation, the Company provides equal opportunities for employment, career development, advanced training, and wages to all employees regardless of their religious commitments, sex, age, orientation, marital status, national origin, etc.

The Company pays special attention to gender equality, in particular the availability of new trades for women. Equal pay conditions are ensured for both women and men. Any managerial decisions related to hiring, training and career development are based on the skills and the necessary stack of competencies of a candidate or employee.

Employee satisfaction and social security have a direct impact on the competitiveness and quality of services provided. With this in mind, the Company annually conducts staff surveys and studies, covering thousands of employees. JSC FPC provides decent conditions for employees, including competitive salaries and an extended social package (voluntary medical insurance (VMI), corporate loan programmes, pension plans, health resort recuperation, etc.).

The Company has a primary trade union organisation under the Russian Professional Union of Railwaymen and Transport Builders (ROSPROFZHEL). It covers 52,250 people (95% of the actual headcount of the Company). The Collective Bargaining Agreement of JSC FPC for 2023–2025 is also in force and applies to all employees.



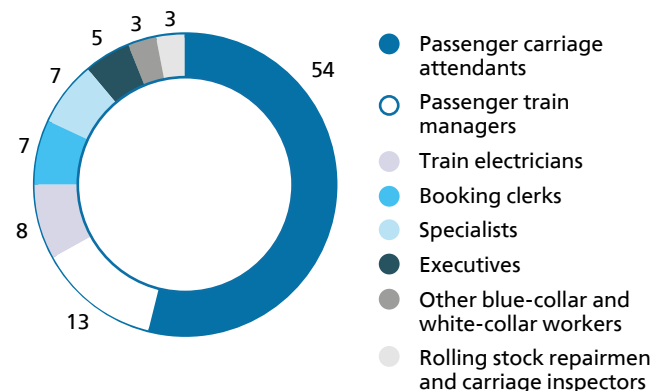
Personnel structure

55,002 people +0.7% vs. 2022
+7.2% vs. 2021

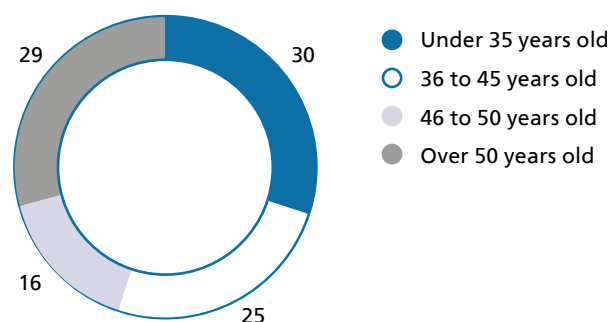
headcount as of 31 December 2023 year

63% of employees are directly involved in passenger services

By position/trade, %

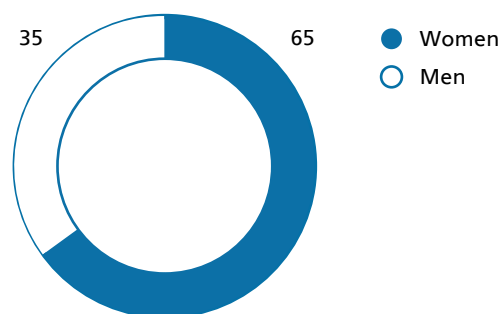


By age, %

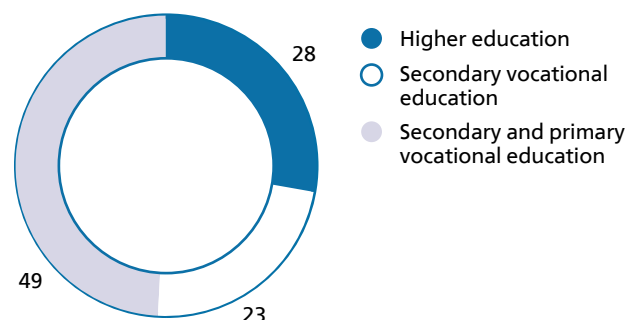


The Company maintains the right balance between young talent and more experienced employees. The average age of employees is 42 years.

By gender, %



By education, %



JSC FPC employs 543 employees with disabilities (1% of headcount). According to their particular rehabilitation regimens, they did not require any extra workplace setup. Employees with disabilities are provided with benefits in accordance with the requirements of Russian legislation, the Collective Bargaining Agreement and by-laws of JSC FPC.

Staff recruitment

Various evaluation tools, such as ability testing, personality surveys, and competence-related structured interviews, are used to ensure the quality of managerial decisions on selection of candidates to fill vacancies, talent pooling, staff rotation and training. In 2023, about 23,000 employees underwent the corporate skills assessment, with customer-facing employees accounting for 91% of the total.

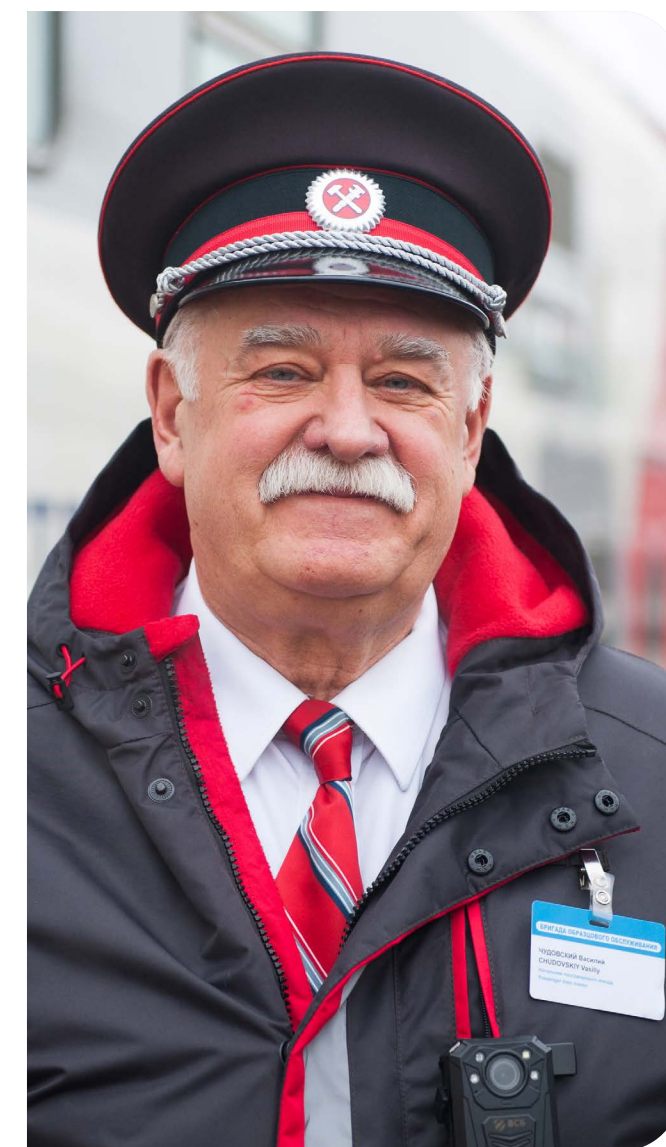
Personnel training and development

>21,000

employees (39.3% of total headcount) received training in 2023

16 hours per year average number of training hours for managers and specialists

18 hours per year average number of training hours for employees of blue-collar jobs¹

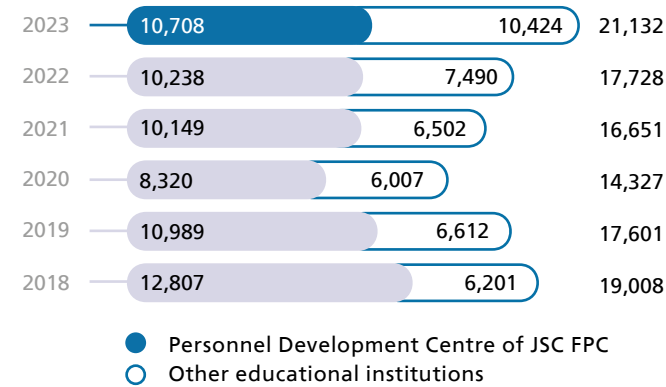


Training system indicators

Indicator	2018	2019	2020	2021	2022	2023
Total employees trained	19,008	17,601	14,327	16,651	17,728	21,132
Share of employees trained at FPC's Personnel Development Centre, %	62.7	62.4	58.0	61.0	60.0	51.0
Budget, RUB million	118.2	196.6	112.8	134.2	164.2	204.173

¹ The total number of training (advanced training) hours for 2023 is 662,744 hours. The training was given to 36,931 FPC's employees of blue-collar occupations.

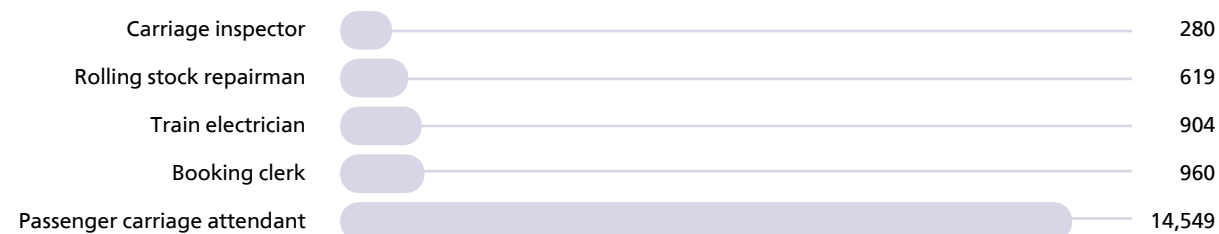
Training broken down by training centre, people



Every year, there is a greater need of the Company’s branches in training. In the reporting year, more than 7,000 people were trained in white-collar and blue-collar jobs. Over 14,000 people upgraded their skills. The Personnel Development Centre of JSC FPC is the main platform for training in general trades.

>7,000 people
trained in common white-collar and blue-collar trades in 2023

Professional training of employees of general trades (initial training and advanced training), people



The Company implements the “Evolution of Train Crew Training” concept, which is based on the unified practice-oriented approach to assessing the level of professional knowledge with gradual transfer of training to the licensed Personnel Development Centre of JSC FPC. This approach has two stages:

- first stage — 335 passenger train managers were trained in 2023
- second stage — 375 passenger train managers and 2,762 passenger carriage attendant are to be trained in 2024

In accordance with the professional standard, the Company approved a model of professional skills of train electricians, requirements to their level of education and a professional expertise development matrix. The skills assessment for this trade was completed in 2023, covering 1,348 people (89% of the total number of train electricians to be assessed). According to the assessment results, the overall level of development of professional skills was 1.53 points, which corresponds to the level of ‘specialist’ (a professional capable of independently solving standard tasks; has the potential to solve non-standard tasks). Train electricians have the highest level of development in cross-cutting skills (1.59–1.76 points), as well as in the competence area pertaining to maintenance of carriages at train turn-around point (1.97 points). The lowest level is in the competence area pertaining to maintenance of carriages en route (1.15 points).



For targeted development of skills and competences, the Personnel Development Centre approved the Professional Expertise Development Matrix for ‘train electrician’ trade in 2023. The Matrix includes professional reskilling courses, open e-courses on different competences, video clips, memos, self-study materials.

On 16 February 2023, the model of professional skills of a passenger carriage attendant was approved. The model includes 12 skills: four cross-cutting and eight core (focused) skills.

On 22 June 2023, the procedure for applying the model in personnel performance appraisal was approved. The appraisal has a database of relevant test tasks and includes 1,420 questions with answers. Each employee is randomly given 180 questions to answer.



From 1 September 2023 to 1 May 2024, the professional knowledge of passenger carriage attendants was assessed with the use of the Distance Learning System. At least 90% of the permanent attendant pool was scheduled to be evaluated during the given period. Once reviewed, the assessment findings will show the best employees and the areas for further improvement of professional knowledge of the Company’s personnel.

Nineteen (19) training programmes were created in 2023, 18 of which also envisage transferring part of the training to a distance learning format. Training programmes for rolling stock repairmen, carriage inspectors, and ticket agents allow for shorter training periods. Two professional training programmes for rolling stock washermen and outfitters were updated in conjunction with the enactment of regulation guidelines on occupational safety and the technical operation of Russian Federation railways.

Three advanced training programmes (for public train safety inspectors, train crew tasksetters, dining carriage/bistro carriage staff of catering division) and five occupational safety programmes for various categories of employees were also prepared. In addition, four standard programmes were developed and sent to the parent company

for consideration (for training of train electricians, rolling stock repairmen of the 2nd and 3rd category, attendants of passenger carriages of the 4th category, as well as for training of candidates from the train manager pool).

In order to fill a pool of passenger train managers, a programme on modern techniques in the organisation of passenger transportation for passenger train managers was developed on the basis of the new professional standard. As part of the School for Young Managers project, a programme was drawn up to develop the professional competencies of heads of business units and employees from the talent pool for these positions.

The development of the Distance Learning System is ongoing. In 2023, 35 training courses and 29 open e-courses were available. Nine new training courses and 14 open courses were added. 29 check tests for briefings and 213 check tests for passenger train managers, passenger carriage attendants, train electricians, train crew instructors and ticket agents were created within the scope of technical training. A total of 3,740 employees of the Company received advanced training through the Distance Learning System.

In helping frontline staff members improve corporate skills, the focus is placed on enhancing client interactions. Special consideration is given to accommodating organised groups of children and passengers with reduced mobility, as well as helping passengers in abnormal situations. For example, psychologists of the structural divisions of JSC FPC’s branches held around 7,000 training seminars in 2023, with a total number of over 70,000 participants. Among other things, almost 25,000 members of the train crews received training on handling unusual scenarios that arise when they engage with passengers. The training included practical assignments and case studies.

The procedural framework is expanded every year. New training courses for train crews were created in 2023, along with suggestions for how to help employees who exhibit symptoms of post-traumatic stress disorder (PTSD). These courses will also be available online.

>25,000 members
of the train crews received training on handling unusual scenarios that arise when they engage with passengers

Advanced Training

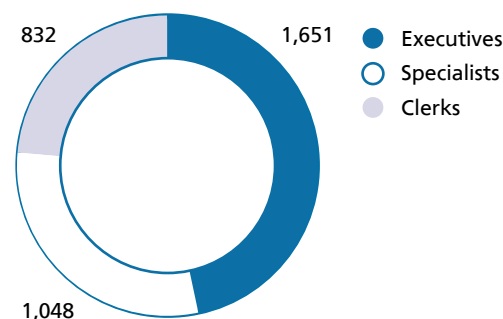
In 2023, the Company's managers and specialists by mandatory vocational and management training covered 2,699 people in total. The 2023 training plan for managers and specialists was over-fulfilled 156.7%.

RUB 204 million

talent development expenses and related payments

More than 200 managers received training in the Effective Communications Programme to help them improve their communication skills. The programme included an e-course and a webinar with case studies and leaning activities. The main focus was on methods of task setting, control, delegation, motivation, feedback, types of interaction in a company, management tools for effective communications, etc.

Personnel training in 2023 by position level, people



Targeted training of staff

To have well-qualified personnel with higher and secondary vocational education, the Company cooperates with nine railway transport universities under the company-sponsored (targeted) training terms. More than 200 company-sponsored students are enrolled in intramural and extramural higher education programmes. Majors:

- Railway rolling stock "Passenger Carriages"
- Operation of railways "Railway Passenger Service System"
- Operation of railways "Transport Business and Logistics"

>200

company-sponsored students are enrolled in intramural and extramural higher education programmes

Vocational guidance

In 2023, the Company's executives held open lessons in field-specific educational organisations, hub schools and at the parent company's Children's Railways. Thus, as part of the Petrovsky Meetings project under the auspices of Russian University of Transport (MIIT), an open lesson was held in March with the participation of Vladimir Pyastolov, Director General of JSC FPC. It is a priority for the parent company's Children's Railways to open passenger railway classes or branded areas for the passenger carriage attendant profession.

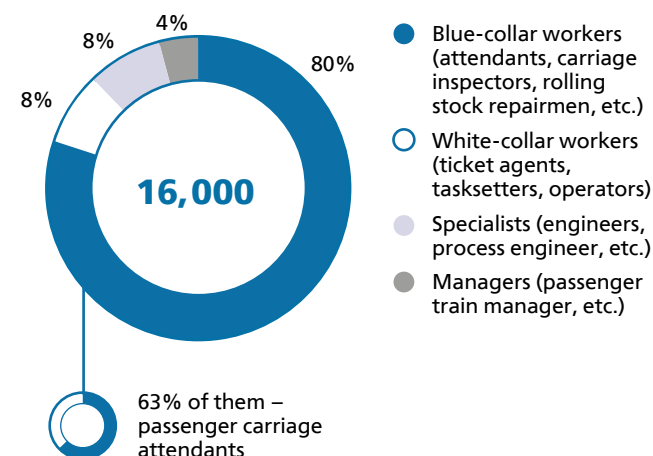
Youth policy

More than 16,000 employees, or 30% of the Company's total headcount, are aged 35 and under. The share of young managers of this age is 16% of the total number of managers in the Company. Since young people make about one-third of JSC FPC's workforce, it is imperative that the Company's youth policy be implemented effectively.

The young employees of JSC FPC, who have the necessary professional and corporate competencies, are change agents, promoters of modern corporate culture and values, involved as much as possible in solving the Company's current tasks and systematic innovative development.

Source: Youth of JSC FPC (2021–2025), Targeted Programme

The youth of JSC FPC are presented by:



The main tasks and domains for the development of the Company's Youth Policy are defined by the Youth of JSC FPC (2021–2025) Targeted Programme.

For its implementation, the Company has 72 youth councils.

The programme's activities involve at least 75% of young employees each year and address the following issues:

- Onboarding and retention of young people in the Company
- Stimulation of scientific and technical creativity, innovation and scientific activities of young people
- Improvement of motivation mechanisms for young managers and employees
- Assistance in personal and professional development of young employees with knowledge and skills tailored to JSC FPC's needs, as well as career growth of young people
- Establishment a set of positive values, maintenance of generational continuity, and strengthening of the image of the workplace among young people

While working with youth, it's important to always be refining techniques used and creating new digital tools that not only solve priority business tasks but also address primary needs of young people.

Source: Youth of JSC FPC (2021–2025), Targeted Programme

In 2023, a new approach to youth work planning was put in place, and new projects were introduced in all areas of youth policy work.

FPC's youth policy activities for 2023 include:

>20

mandatory network-wide events

>200 events

and projects were conducted during the year

>12,000

young employees are reached through activities



Six areas of work with young people

1. Youth onboarding system

- Common onboarding days
- Onboarding courses
- Young specialist status

2. Corporate volunteering and healthy lifestyle

- FPC joining the parent company's corporate volunteering programme
- YouMeVolunteerFPC volunteer project competition
- Winning the "Attendants of Good Deeds" grant competition
- Network and local actions, races and events throughout the year

3. Addressing corporate challenges

- Activities of 72 youth councils of the structural subdivisions of FPC's branches
- 2 wins in the New Link youth project competition
- Mentor lounges with the participation of FPC management

4. Comprehensive youth development

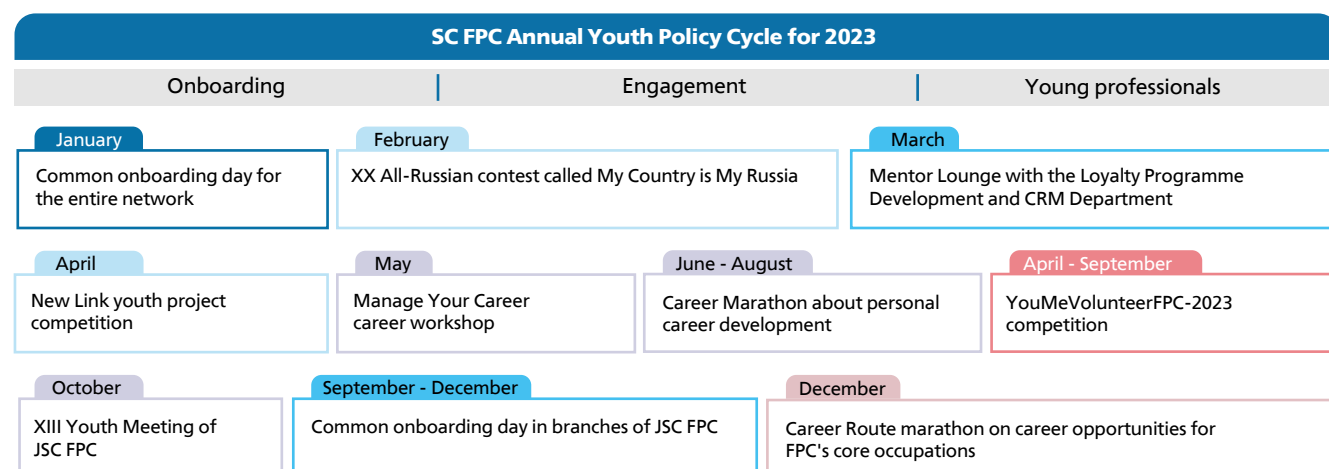
- Hi-Po Talent Pool 2023
- Events on career and personal development
- XIII FPC Youth Meeting
- Work with young specialists

5. Comprehensive youth co-operation

- Rosmolodezh grant competitions and forums
- Parent company Youth Gathering and Volunteer Forum
- All-Russian contest called My Country is My Russia

6. Work on youth engagement

- FPC.TUT social networks in VK and Telegram
- Leaders of Change competition among the youth councils of structural subdivisions of FPC's branches
- Meetings with management



2023 key projects by focus area

1. Development a system for onboarding and retaining young people in the Company

- The Procedure for Onboarding of Young Employees of JSC FPC was approved, which regulates the mandatory holding of Common Onboarding Days, onboarding talks, and taking onboarding courses.
- 18 onboarding courses for the Management Office and branches of JSC FPC were updated, taking into account the general established form and regional specifics.
- 2,523 people, or 42% of the total number of the Company's young employees hired in 2023, participated in the Common Onboarding Days.

2. Higher engagement of the youth

- More than 7,000 employees (44% of the Company's youth) are subscribers to the FPC.TUT (FPC here) channels on VKontakte and Telegram. Developing online youth communities aims to raise awareness of the Company's key events, as well as increase motivation to participate in networking, holding and federal events.
- For the first time, the Leaders of Change competition was held among 72 youth councils of JSC FPC. The ten runners-up of the competition – leaders within their branches – presented reports on their activities in 2023 at the XIII FPC Youth Meeting. The winner and holder of the Leaders of Change cup in 2023 was the youth council of the Omsk passenger carriage depot of the Western Siberian branch of JSC FPC.

- The XIII FPC Youth Meeting was held. It was the first offline FPC Youth meeting since 2019. The participants included 85 young employees from ten delegations of FPC branches, guests from the passenger complex of the parent company, and senior management of FPC, including General Director, Vladimir Pyastolov. The main concept – "We are the History", "We are the Present", "We are the Future" – was shown through team-building activities, master classes and lectures from external experts, speeches by the Company's top management, open dialogue with the management, and a strategic session to develop proposals aimed at improving service in the passenger complex of the parent company. During the ceremonial part of the event, awards were presented by JSC FPC and the parent company to active participants who had made a significant contribution to the Company's development, and winners of corporate competitions were honoured.

3. Maintenance of conditions for continuous and holistic development of young people

- To provide career opportunities for young people, a high-potential talent pool of 41 young staff members of all job categories was created. The development programme for talent pool members includes work with individual development plans, master classes by experts from FPC, the parent company and the external circuit on such topics as "Manage Yourself", "Manage the Team" and "Manage the Project", as well as group project work on solving production problems at FPC's branches. At the end of the development programme, 20 successful graduates were recommended for priority consideration for vacant positions in the Company. The overall efficiency of the talent pool was 46% (19 vertical assignments for 2023)
- A series of three career events for young employees was organised with a total of over 2,000 participants:
 - Webinar titled "Manage Your Career" on opportunities for personal and career development of young people at JSC FPC
 - Career marathon in the Telegram messenger, where for three weeks participants received tools for self-determination, learnt to understand and formulate their personal and career goals
 - Career Route Marathon in Telegram messenger dedicated to career development trajectories for workers and employees of the Company, as well as sharing success stories of heads of structural subdivisions of branches. Each week was dedicated to one of the general wide-spread trades (passenger carriage attendant, train electrician, ticket agent, rolling stock repairman)

4. Development of corporate volunteering, promotion of healthy lifestyle and sports

Volunteer movement of JSC FPC involves:

>1,500
active volunteers

>200
regional volunteer projects since 2018

Every year, the Company's volunteers take part in corporate, holding, all-Russian and international projects, win competitions and participate in major volunteer events, as well as implement their own projects to develop the regions where the Company operates.

In 2023, volunteers of JSC FPC:

- Traditionally helped sponsored orphanages and boarding schools
- Participated in projects of volunteer, donor, social and governmental organisations in their regions
- Helped families of railway workers, war and labour veterans
- Organised congratulations on Victory Day, Railway Worker's Day, Senior Citizen's Day, Attendant's Day and other important holidays for the Company

In 2023, in order to promote volunteerism:

- An agreement was concluded with the Pochet Charitable Foundation, which allowed FPC to join the parent company's corporate volunteering programme, and the Company's employees to take part in major volunteer actions and projects of the parent company and the country: the Clean Shores environmental action, the EcoLeaders corporate forum for employees of the parent company, State Corporation Rosatom and JSC United Metallurgical Company, other major federal forums
- A tripartite agreement was signed between JSC FPC, the parent company and the Pochet Charitable Foundation on long-term co-operation to develop corporate volunteering
- The annual contest of volunteer projects YouMeVolonterFPC was held. This is a competition of already completed projects, where participants talk about the results of their work, share their experience, train each other and form teams to run new projects. In 2023, 33 socially significant projects were announced and 22 of them were put into practice. All contest winners were awarded diplomas and corporate gifts as part of the XIII FPC Youth Meeting
- 100 active volunteers were awarded diplomas and FPC Volunteer badges

5. Involvement of young people in resolving corporate (strategic) tasks (including innovative and scientific activities)

Since 2010, the Company’s young people have traditionally participated in the New Link youth project competition of the parent company. Systematic work has been done to promote the competition and prepare participants. 2023 was the first year when won the following competitions:

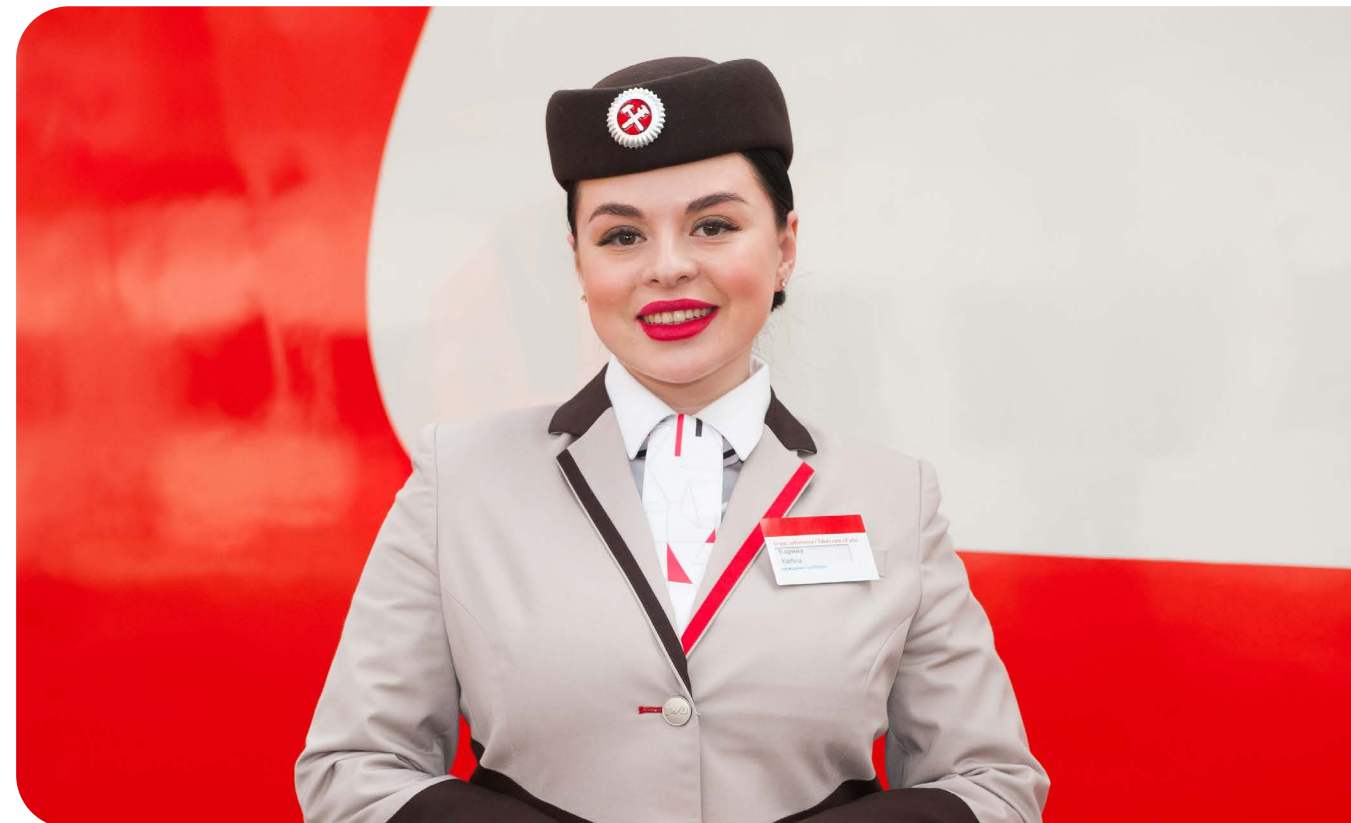
- “New Link. Projects” in the “Development of Passenger Customer Care and Services” category with the project: “Reis+ Application”
- “New Link. Ideas” as part of the youth team of the parent company with the “Innovative Infrastructure” idea

- IV Volunteer Forum of the parent company, which included the finals of the “Attendants as Conductors of Good Deeds” grant competition. OpenSpace project in the format of an inclusive picnic originated by a young employee of JSC FPC won the competition
- XX All-Russian contest of youth projects called “My Country is My Russia”. Two employees of JSC FPC became finalists in the category “Railway Transport. Routes of Communication of My Country”
- International youth project titled “100 CIS Ideas” with the project “Kind Express” aimed at organising trips on Russian railways for children from social shelters, boarding schools and orphanages
- International Climate Contest called “Green Eurasia” with the ecological project “It’s COVER for algae”
- More than 1,000 events related to railways of the parent company, the Federal Agency for Youth Affairs (Rosmolodezh), etc.

6. Development of intra-holding, inter-industry and international youth cooperation

Creating strong horizontal ties between young employees is the key to the efficient and uninterrupted work of the Company. In 2023, young employees of JSC FPC took part in the following events:

- 15th anniversary of the parent company’s Youth Festival, which brought together over 1,000 participants, including young industrial leaders of the country and foreign partners



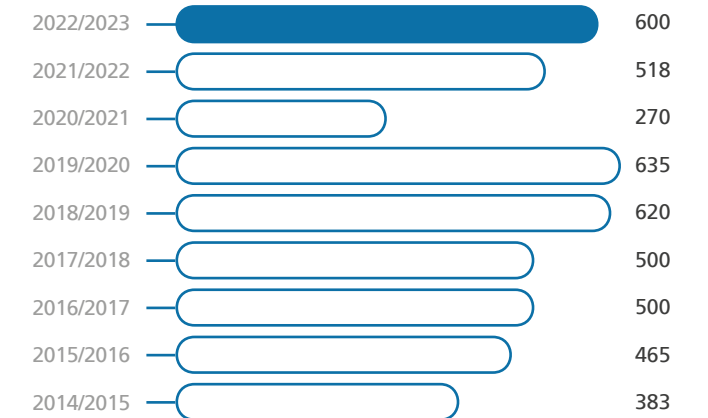
Student train attendant teams

In 2023, more than 9,000 members of student attendant squads worked during the peak passenger transportation period, including 600 – during the winter period of 2022/2023 and 8,500 – during the summer period.

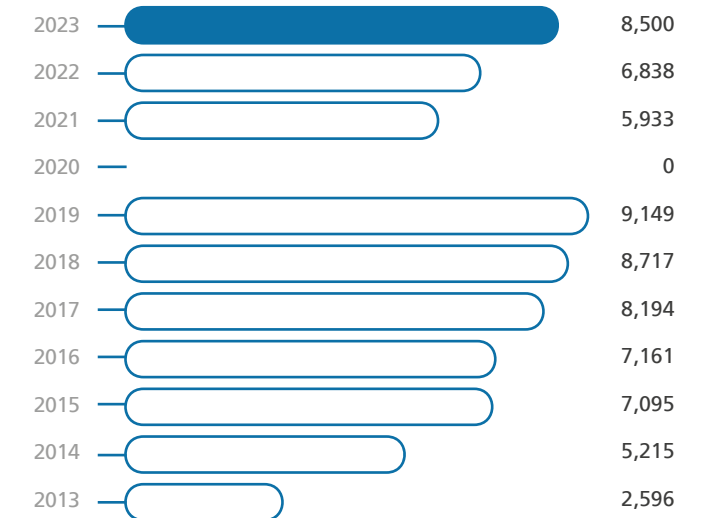
Key outreach activities with the youth all-Russian public organisation “Russian Student Squads” (hereinafter – ARPO RSS) in 2023:

- On 17 February 2023, FPC participated in the opening ceremony of the “Labour is Cool” career forum in honour of the RSS Day. A new three-year co-operation agreement No. FPC-23-31 between JSC FPC and ARPO RSS was officially signed at the Career Forum
- The updated Handbook of the Student Attendant Squad Member was approved and uploaded into the Distance Learning System (DLS)
- For the first time in 2023, the talent pool of FPC’s branches was formed from among participants of student attendant squads, which included 127 members of the ARPO RSS
- In cooperation with ARPO RSS, a large-scale campaign called “The train that unites the country – the longest train drawn on asphalt” was held at 29 railway stations across Russia on Railway Workers’ Day.
- In order to increase the level of motivation of participants in student attendant squads, FPC approved the Regulation on Awarding the ‘Pace-Setter of Labour Semester’ Badge. For the first time in 2023, the Company awarded 766 students with the ‘Pace-Setter of Labour Semester’ Badge of the III degree
- The results of the competition “The Best Structural Division of an FPC Branch in Organising Work with Student Attendant Squads” were summed up. The winners of the competition were the Kazan carriage station of the Gorky Branch (1st place), the Izhevsk carriage station of the Gorky Branch (2nd place) and the Volgograd carriage station of the Volga Branch (3rd place)

Number of members of student attendant squads involved in winter passenger service, people



Number of members of student attendant squads involved in summer passenger service, people



Employee remuneration and motivation system

The Company has an effective employee incentive system in place. A wide range of social benefits is stipulated by the provisions of the Collective Bargaining Agreement, which covers 100% of employees. All payments, without exception, are regularly indexed and are reviewed taking into account the best practices available on the market, as well as staff opinion, which is formed based on the results of engagement surveys. The non-financial motivation system also includes the best available non-financial incentive practices for personnel.

The Company is now digitalising its non-financial motivation system by introducing gamified processes for rewarding labour merits. In 2023, a pilot project called “Bonus Package” was completed on the basis of the North-Western branch, which includes a automated gamified system for accumulating and writing off bonuses for significant work achievements in the Company. These can then be exchanged for goods and services in the corporate shop. A total of 349 workers participated in the pilot project and provided positive feedback. A decision was taken to integrate the Bonus Package in the form of a store into the FPC.INFO Corporate Portal.

Wages by leading occupations

Name of position/trade	Salary, RUB	vs. 2022, %
Passenger train manager	130,741	113.6
Passenger carriage attendant	63,982	108.2
Train electrician	85,827	120.6
Rolling stock repairman	61,247	116.2
Carriage inspector / repairman	76,947	116.7
Ticket agent	56,177	114.3
Production area foreman	106,128	114.7

The Company’s remuneration and labour motivation policy is aimed at preserving social guarantees for employees and retaining qualified personnel. To implement the above objectives and in accordance with clause 3.2.2 of the FPC Collective Bargaining Agreement for 2023–2025, wages were indexed by 2.63% from 1 March, by 3% from 1 October and by 2.12% from 1 November. All motivational payments are made as provided for by the Regulations on the Labour Remuneration System and the Concept of Targeted Motivation of Branch Employees¹.

Personnel incentives

Based on the results of work in 2023, the salary of FPC’s employees of all types amounted to RUB 74,651. The growth against the same period of the last year was 10.7%. Taking into account the growth of the consumer price index (105.4%), real wages in the Company increased by 4.6%.

Note that, according to Rosstat data, the average monthly nominal gross salary in the intercity and international segment in the Russian Federation for the 12 months of 2023 is RUB 52,868, which is 41.2% lower than the salary level for the FPC.

10,958 employees were rewarded for their continuous working efforts and dedication to the Company.

Payments for continuous employment were made to 10,958 employees in the form of remuneration for loyalty to the Company. The total amount of payments for the period totalled RUB 1.2 billion.

Individual employees are encouraged to achieve a higher level of professional excellence and promote interest in labour results through the application of the following motivational payments:

- Allowances for professional excellence – an average of RUB 3,283 per employee (5,718 employees)
- Allowances for class rank – an average of RUB 4,676 per employee (7,319 employees)
- personal salaries – an average of RUB 34,359 per employee (632 employees).

As a collective incentive for ensuring high quality passenger service, there is a reward for having the Quality Certificate given to the train crew. As of year-end 2023, 152 train crews were awarded the Quality Certificate and 11 train crew instructors – the Quality Coupon.

Bonuses for the Company’s personnel are used to increase material interest in improving performance, ensuring traffic safety, quality of carriage repair and maintenance, passenger service, and travelling comfort. For 2023, the additional bonus was paid:

- For finding hard-to-detect defects and malfunctions of passenger carriages – an average of RUB 5,728 per employee (147 people)
- For income from other types of activities – an average of RUB 1,055 per employee (50,443 people)
- For ensuring train traffic safety based on the 2022 performance – an average of RUB 26,441 per employee (2,606 people)
- For ensuring high quality of repair and maintenance of passenger cars – an average of RUB 25,470 per employee (2,281)
- For providing high quality passenger service – an average of RUB 51,624 per employee (761 people).

Social policy

In 2023, the Company’s expenditures to fulfil the obligations under the FPC Collective Bargaining Agreement totalled over RUB 8 billion.

In accordance with the Collective Bargaining Agreement, FPC personnel are given free commuter travel from their place of residence to their place of work, study or medical treatment and back, as well as free travel once a year to a place of recreation in the Russian Federation and back in a second-class sleeping carriage on FPC’s passenger trains of all categories. In total, the Company’s expenses on railway travel for employees and their minor children in 2023 totalled over RUB 1.4 billion.

Additional benefits and guarantees related to maternity and childhood, stipulated by the Collective Agreement, are also in place:

- Supplement to the maternity allowance paid from the Russian Social Fund to bring the total payment to the employee’s average monthly earnings
- One-off financial aid at the birth of a child – RUB 5,775
- Monthly allowance to employees for child care until the child reaches the age of three – RUB 2,900

The total expenditures on these payments amounted to

RUB 190.8 million

On average, an employee’s individual social package in 2023 totalled

RUB 66,800

2023 was declared the Year of Health

The following centralised sports and cultural events, as well as other significant events, were organised and held at JSC FPC during 2023.

- From 30 May to 2 June, Krasnoyarsk hosted the Bowling Cup of the ROSPROFZHEL primary trade union organisations of JSC FPC. The total number of the Company’s employees participating in the event, organisers and judges was 70 people. The East Siberian Branch took first place in the team scoring, followed by the Moscow Branch in second place and the North-Western Branch in third place.
- On 6 August, in honour of Railway Worker’s Day, FPC employees traditionally took an active part in the Reaching the Goal! charity races. In Moscow, more than 300 employees of the Management Office, Moscow and North-Western branches took to the starting line. The overall contribution earned the FPC team the title of “The Most Enduring Team of the Life Line Running Cup 2023 Open Team Tournament”.

¹ Regulations on the remuneration system for employees of FPC’s branches and their structural divisions, approved by FPC’s Order No. 961r dated 12 October 2017, and Concept of Targeted Motivation of Employees of FPC’s Branches, approved by FPC’s Order No. 1305r dated 29 December 2017.

- From 13 to 16 September, Kislovodsk hosted the FPC Employee Spartakiade. The event was attended by ten teams from the Company's branches, as well as a team from the Management Office. The total number of participants, organisers and judges of the Spartakiade exceeded 230 people. As a result of the absolute team scoring, the North-Western Branch took the first place, the West Siberian Branch – the second place and the Moscow Branch – the third place.



At the end of 2023, a large-scale event to wrap up the Year of Health was held in Moscow as part of the Common Sense Territory Forum. FPC's employees became participants in this big event and were honoured with awards from the parent company, including:

- Ekaterina Kislitsina**, an attendant of a passenger carriage of the Nikolayevka passenger railway depot, became a direct participant of the All-Russian project Health Train "Together Against Diabetes". Ekaterina acted as a senior attendant throughout the train journey and also helped to organise the campaign in each city where the train stopped. Ludmila Zharnikova, Head of the International and Commercial Transportation Department of the Transportation Organisation Department, also organised a similar campaign;
- Andrey Simonov**, Deputy Manager for Human Resources and Social Affairs, West Siberian Branch, noted for his great personal contribution to the organisation and implementation of events within the framework of the Year of Health of the parent company;
- Pashovkina Angelina**, a process engineer of the I category of the Department of the Agency Networking, Paid Services and Rail Conditions of the Volga Railway Agency, in 2023 showed good results in sports, actively engaged in swimming, attended the basketball section and participated in sports team competitions at the Volga Railway Range.

Awards

The Company has various formats for rewarding employees both for their personal and collective contribution to the solution of corporate tasks. The corporate awards policy plays an important role in recognising merit. In addition, employees are commended by state awards.

In 2023, 2,705 employees of the Company were rewarded for their great contribution to the development of railway transport, labour achievements and conscientious work (+14% year-on-year), including:

- State awards of the Russian Federation – 14 employees
- Awards of the Ministry of Transport of Russia – 94 people
- Awards of the parent company – 1,157 employees
- Awards of the General Director of JSC FPC – 1,440 people

Awards for the professionalism in the performance of a particularly important production task

6,215 employees.

Housing policy

RUB 48.3 million expenditures on housing policy in 2023

The possibility to improve housing conditions is one of the significant conditions for the staff. The Company provides corporate support (subsidies, mortgage loans) for the purchase of own housing, including gratuitous subsidies to employees of certain categories.

Every month, 327 FPC's employees receive a subsidy under the corporate programme to pay accrued interest on mortgage loans; 18 new mortgage subsidies were issued in 2023. In addition, in 2023, 28 of the Company's employees received gratuitous subsidies, of which 25 employees – upon the birth of their children during the period of repayment of debts on purchased or constructed housing.

Since 13 October 2023, an interest rate of 15.6% p.a. has been set, with the payment burden being shared between FPC and the employee as follows:

- young specialist – employee rate 5.6%, FPC subsidy rate 10%
- other specialists – employee rate 8.1%, FPC subsidy rate 7.5%

Also, according to FPC's regulations, certain categories of FPC personnel are reimbursed for the costs associated with renting accommodation.

A total of RUB 48.3 million was spent on the implementation of housing policy during the reporting period, including RUB 28.7 million for the payment of gratuitous subsidies.

Health resort rehabilitation

RUB 440.2 million expenses on personnel VHI in 2023

Employees receive a full package of medical services at the parent company's private healthcare facilities under VHI framework. FPC's staff VHI costs in 2023 totalled RUB 440.2 million.

An integral part of the social policy is the programme of health resort treatment, health improvement and recreation for employees, their family members and non-working retirees. The Company's employees, their family members and non-working retirees receive treatment and recuperation under a 14-day programme both in sanatoriums on the Black Sea coast, Caucasian Mineral Waters, Kaliningrad Region, and in regional sanatoriums. A total of 3,618 vouchers were sold in 2023 to the parent company's sanatoriums, local and other health resorts for a total of RUB 137.8 million.

The Company pays great attention to preserving and strengthening the health of employees' children, preventing childhood illnesses, and creating conditions for full-scale recreation and engagement for children during the summer period. In 2023, 1,881 vouchers for children of employees were allocated, including:

- 1,121 vouchers to children's health centres of social sphere, branches of the parent company
- 586 vouchers to the Black Sea coast
- 174 vouchers to other recreational institutions for children

In 2023, the West Siberian Branch implemented the project on "Preventive treatment under short-term recovery programmes". The essence of the project is that the staff of train crews had the opportunity to receive free medical procedures for five to seven days in private health care facilities

and the Physical Fitness Centre of the Directorate of Motor-Driven Rolling Stock of the parent company. The project was a success. The number of recuperated employees increased by more than 60% year-on-year.

Care for psychological health

Preserving the psychological health of personnel has been and remains a priority for the Company. Today, the Company has equipped and operates 19 stress relief rooms, four of which were opened in 2023. Specialised equipment for diagnostics and correction of employees' psycho-emotional state makes it possible to quickly and effectively restore fitness for working, relieve emotional stress, and teach self-regulation and stress management skills. Cardio-intervalometry sensors allow to timely determine the presence of psychophysiological changes in the organism under stress, as well as to assess the impact of corrective measures before and after the session.

In 2023, more than 4,000 employees visited stress relief rooms. In 75% of cases, employees report an improvement in their emotional state; every third employee restores his or her capacity for work to an optimum level after undergoing a course of rehabilitation measures.

Corporate pension system

RUB 489.3 million expenditures on non-state pension benefits for JSC FPC employees in 2023

Corporate pensions are included in the Company's employees' social security packages. Over 17,000 employees have pension plans with Blagosostoyanie, a private pension fund. In its commitment to match funding of private pension plans, FPC pays monthly pension contributions until a corporate pension is assigned, and then additional pension contributions once a corporate pension is granted. In 2023, non-state pension costs for JSC FPC's employees totalled RUB 489.3 million.

Upon retirement, a lump-sum incentive for honest labour is paid, depending on the length of service in railway sector, in the amount of one to six average monthly earnings of the employee. Expenditures for these payments in 2023 totalled RUB 232.2 million

Social support for non-working retirees

RUB 309.4 million
Company's expenditure for social support of non-working retirees in 2023

At present, FPC supports over 51,000 non-working retirees. Social guarantees for them are realised through the Pochet Charitable Foundation.

Non-working retirees who have worked at FPC for over 20 years receive compensation for dentures and subsequent repairs, high-tech medical services at the Parent Company's healthcare facilities, free travel on suburban and long-distance trains, and health resort rehabilitation services.

Special attention is paid to the railway workers who took part in the Great Patriotic War (World War II), home front workers, and survivors of Nazi concentration camps. On the Victory Day, 1,220 veterans received additional material aid through the Pochet Charitable Foundation. Veterans are also reimbursed for the purchase of household fuel, health resort recuperation, financial assistance in connection with their difficult financial situation and for the provision of ritual services to the families of the deceased. In order to foster patriotism, respect for the defenders of the Motherland and to preserve the historical memory of the Great Patriotic War, as part of the social action titled "Letter to a Veteran" from 18 April 2023 to 9 May 2023, thank-you letters were written and delivered to veterans of the Great Patriotic War.

During the reporting period, the Company's expenses for social support of non-working retirees amounted to RUB 309.4 million¹. RUB 254.2 million was allocated for the provision of social benefits and guarantees through the Pochet Charitable Foundation, including:

- RUB 95.8 million for fares on long-distance and suburban trains

- RUB 1.8 million for payments to veterans of the Great Patriotic War on Victory Day
- RUB 9.2 million to reimburse high-tech medical care
- RUB 19.3 million to pay for services for the manufacture and repair of dental prostheses
- RUB 17.8 million for one-time charitable assistance for the purchase of household fuel, as well as compensation of expenses related to its delivery and unloading
- RUB 110.2 million for the payment of monthly financial aid to non-working retirees.

More than RUB 55.2 million was spent on health resort treatment of non-working retirees, payment of financial aid for funeral expenses and assistance to veterans' councils.

The average individual social package of a non-working retiree in 2023 was RUB 6,100.

Social support for mobilised employees and their family members

To provide social support to the employees of JSC FPC whose employment agreements were suspended due to their conscription for military service under mobilisation or conclusion of a contract on voluntary assistance in the armed forces of the Russian Federation, all benefits stipulated by the Collective Agreement of JSC FPC for 2023–2025 and local regulations of JSC FPC were preserved for their family members.

For example, in 2023, material assistance was provided to mobilised FPC employees in the amount of RUB 59.4 million.

Promoting women's leadership

JSC FPC is working on the development of women's leadership within the framework of the National Action Strategy for Women for 2023–2030 approved by the Government of the Russian Federation. In 2023, more than 50 events were held in various areas – from health promotion to strengthening

the position of women in the life of the Company¹. The main focus is on the formation, development, support and popularisation of a positive image of a businesswoman, as well as the enhancement of professional and personal competencies of female executives.

In March 2023, a new educational programme titled Perspective, aimed at training women to fill managerial positions in the production unit, was presented for the first time in Moscow at the FPC Women's Potential Development Forum, attended by more than 50 women from all branches. The first 14 women have already been included in the talent pool for 2024. As part of the Forum, the final stage of the 4th FPC Businesswoman contest was held, an effective social lift that enables caring, ambitious and talented women to prove themselves and gain new experience and knowledge.

To develop creativity and professional IT skills, a Graphic Design Skills competition was held between 11 September and 31 October 2023.

To celebrate Mother's Day and preserve traditional family values, from 1 November to 24 November 2023, a contest was held among female employees of JSC FPC in three categories: a video message "Say tender words to your mothers", a postcard "My Mother", and a photo collage "Selfie with Mom". The contest received positive feedback from female employees, and 94 women participated.

Dialogue with employees

FPC traditionally ensures that it has a continuing dialogue with its employees. Corporate surveys assist in gaining insight into the situation within the company from the perspective of the personnel, in assessing the efficiency of the work accomplished, and in identifying the vector of development. In 2023, 18,900 Company's employees of all job categories shared their opinion. A number of indicators under study remain on a positive trend. Satisfaction with work at JSC FPC is 64%. Employees are most satisfied with the information system (90%), ethical standards (89%), interaction with management (84%), and social benefits and guarantees (82%). There is a high level of commitment: 61% of respondents are willing to work for the Company for more than eight years.

The survey covers not only full-time employees but also students hired to help with extensive summer traffic. Thus, the level of students' job satisfaction in the Company in 2023 increased by 2% year-on-year and reached 78% (the survey was conducted among 4,500 students).

All this allows us to speak about the effectiveness of measures taken following the results of the surveys.

Development of digital services for employees

In December 2023, the FPC INFO corporate portal began trial operation. About 5,000 employees, regardless of their location, are now in a single information field and actively use basic services such as receiving payslips, ordering certificates and documents remotely, thanking each other for their work, and congratulating each other on their birthdays.

Code of Ethics

In order to enshrine uniform corporate values, standards and rules of personnel behaviour, the updated Code of Business Ethics of JSC FPC (hereinafter, the Code) was approved by the Board of Directors in 2023. It is supplemented with new sections on assisting the Company in achieving the national goals and priorities of the Russian Federation, on sustainable development, and on regulating employee behaviour in social and professional situations. New corporate culture principles have also been introduced to replace the existing ethical principles. These principles are further enshrined in the management's Rules of Conduct.

¹ In addition, Order No. FPC-463 of JSC FPC dated 9 November 2023 and Order No. FPC-1254/r. dated 9 November 2023 established the amounts of lump-sum payments to non-working retirees who received awards from the parent company, JSC FPC and the Central Council of LLC VTZh.

¹ Within the approved Action Plan for improving working conditions, recreation and social support for women No. FPC-763 dated 23 December 2022.

Key ethical principles of JSC FPC

Values, principles and corporate competences constitute an inseparable whole, the core of our corporate culture.

Basic principle – doing for the country

Every day we work to contribute to the development of the economy, transport hundreds of thousands of passengers. Patriotism and commitment to our country allow us to create a favourable environment for citizens and expand on a nation-wide scale.

Being reliable

The key features of our work are reliability and safety. We work responsibly and smoothly. We guarantee high quality of our work and fulfilment of our commitments. Our work impacts people’s lives and the world around us. Therefore, we minimise risks and create confidence in our partners through our actions.

Doing things with respect to people

We always keep in mind that the main thing in any process is a person: a colleague, a client, or a partner. We are committed to constructive dialogue and concern for everyone’s well-being. We are respectful of people’s opinions and needs, friendly in our communications and do not tolerate any form of discrimination.

Doing things efficiently while conserving resources

We are persistent in achieving the desired result, while rationally and responsibly using the Company’s resources to find the best approach to each task.

Doing as a team, while achieving a common goal

We are united by a common cause. We act openly and honestly. We trust the professionalism of our colleagues, honour agreements and are always ready to support and help. We are considerate of each team member and work towards a common goal.

Doing better

We are open to exploring and introducing new ideas, solutions and technologies, creating conditions for their application to improve the quality of our work. We do not rest on our laurels and strive for continuous improvement. We refuse inefficient ways of doing things, simplify processes and procedures wherever possible, while maintaining safety and sustainability. We create a framework for the professional and personal development of the entire team and each employee.

To build a systematic approach to introducing business ethics into the daily activities of employees, as well as to monitor employee compliance with the provisions of FPC’s Code of Business Ethics:

- A plan to implement the Code of Business Ethics in the Company was put in place

- An authorised business ethics officer and business ethics officers in the Company’s branches were appointed
- Business ethics commissions were formed at the level of the Management Office and the Company’s branches
- The Procedure for Organising the Work of the Business Ethics Officer at the branch of JSC FPC was developed and approved

Brand Value	Principles	Competences
Value in people	Doing things with respect to people	<ul style="list-style-type: none"> • Development and care for employees • Effective communication
Partnership	Doing as a team, while achieving a common goal Being reliable	<ul style="list-style-type: none"> • Teamwork and mutual support • Customer focus • Accountability
Openness to innovation	Doing things efficiently while conserving resources Doing better	<ul style="list-style-type: none"> • Innovativeness • Workflow organisation • Complex thinking

Doing for the country

Occupational Health and Safety

Occupational Health and Safety Management System in the Company

FPC JSC developed a Regulation on the Occupational Health and Safety Management System (OHSMS) to assist in complying with occupational health and safety requirements. The Regulations are to be applied by FPC’s divisions. The OHSMS is an integral part of FPC’s management and production system

The Company constantly improves occupational safety and strives to prevent work-related injuries.

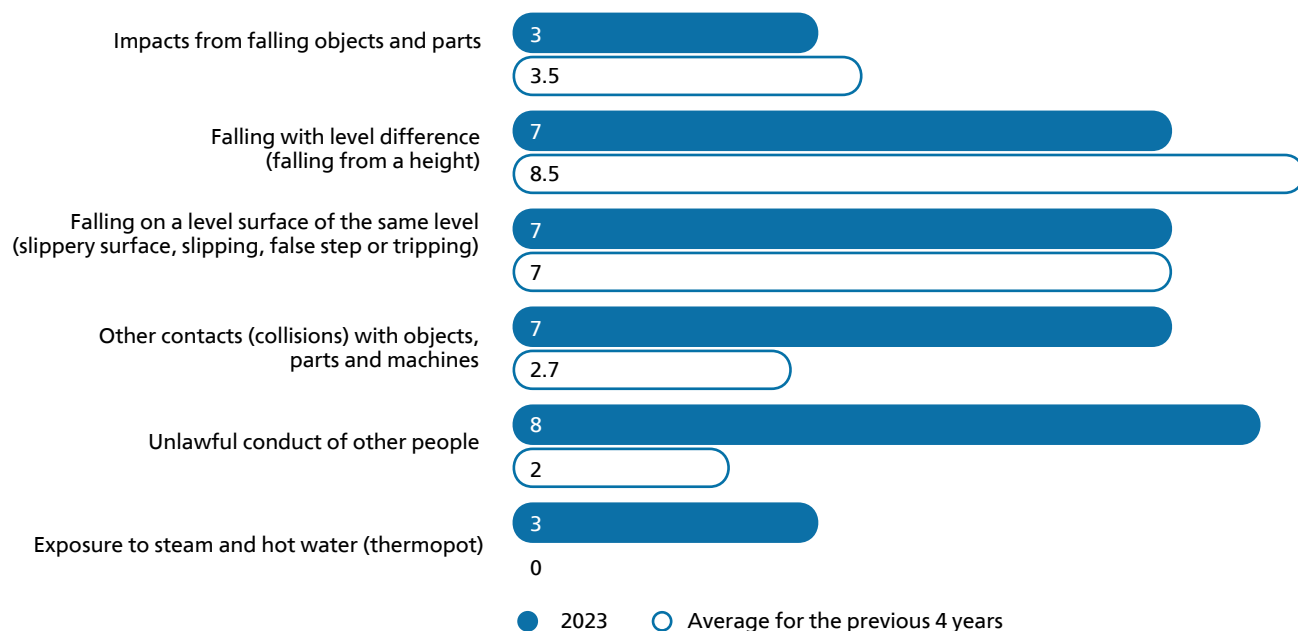
The standard on Labour Safety Management System. General Provisions (STO FPC 1.15.001-2014) and the Regulations on the Occupational Safety Management System at FPC¹ are the fundamental documents defining the principles of occupational health and safety at workplaces in JSC FPC.

In 2023, 11 accidents through the fault of the employer were recorded (13 cases in 2022), down 15%. A total of 41 injury cases (of which 6 carried over from 2022, 2 cases taken by court order) were recorded in 2023 and 33 cases – in 2022. In 2023, as in 2022, there were no cases of group work-related injuries to employees.

RUB 1,565.11 million
spent on OHS measures in 2023

¹ Approved by Order of JSC FPC No. 202r dated 16 March 2022.

Analysing the causes of accidents



The occupational injury rate in 2023 was increased due to a larger number of unlawful actions of passengers towards train crew employees. The number of such cases rose to eight against two in 2022. The rise in occupational injury rate due to illegal actions is caused by increasing social tensions among people.

Also worth mentioning is a new type of accident – exposure to steam and hot water (falling thermopots with boiling water in the carriage). Three such cases were recorded during the reporting period, whereas there were none in 2022.

Injury prevention measures implemented in 2023

All work-related injuries at FPC trigger preventive action to help avoid them in the future.

A total of RUB 1,565.11 million was spent on OHS measures at JSC FPC in 2023, which is 1.8% of total operating expenses. The terms and conditions of the FPC Collective Bargaining Agreement were fulfilled. Excluding expenses for special

clothing, footwear and other personal protective equipment, RUB 737.06 million (0.99% of total operating expenses) was spent on occupational health and safety, including:

- RUB 447.5 million for prevention of work-related injuries, de-manning of hazardous areas and new equipment deployment
- RUB 289.05 million for the improvement of working conditions

Under the investment project on ensuring occupational health and safety conditions, RUB 24.147 million (RUB 20.287 million more than in 2022) was disbursed in 2023, which is 98.3% of the annual plan.

RUB 9.446 million was allocated for measures to reduce injuries, including:

- to reduce the work burden by mechanising the labour process – purchase of self-propelled trolleys in the amount of RUB 2.62 million
- to ensure safety when doing work at height – purchase and installation of anchoring systems for RUB 4.929 million
- To reduce exposure to harmful substances at the workplace – purchase of a welder’s table and air purifier for RUB 0.496 million
- To organise training and raise information awareness of employees – RUB 1.401 million

A total of RUB 14.701 million was allocated to improve sanitary and living conditions, including the purchase of the following pieces of equipment:

- modular centres and production facilities – RUB 11.013 million
- split-systems and heat curtains – RUB 1.552 million
- drying cabinets for overalls and special footwear – RUB 0.78 million
- water heaters – RUB 1.356 million

The units of JSC FPC branches provide 21,781 work places, including 1,598 work places with harmful conditions, or 7.3% of the total number, with 3,945 employees appointed to such work places. In 2023, work was carried out to improve labour conditions at 892 work places employing 2,012 people.

During the 12 months of 2023, 25,926 employees received mandatory occupational health and safety training in organisations providing OHS training services.

The Company’s employees also contribute to the development and monitoring of OHS regulations:

- Participate in staff surveys on the quality, satisfaction and completeness of assigned personal protective equipment and flushing agents
- Hold a Labour Safety Day
- Join the World Day of Labour Protection (hold quizzes, round tables)
- Authorised occupational safety officers from among employees participate in inspections and accident investigations; representatives of the employer and employees sit on the Occupational Safety Committee on a parity basis
- Every employee can call the hotline directly to JSC FPC’s Deputy General Director, Chief Engineer in charge of OHS, and report violations of safety rules

Measures to foster a culture of safety

In order to build a safety culture at FPC and involve all employees in it, the following activities were carried out in 2023 and early 2024:

- Best Workplace Maintenance competition
- Participation in the All-Russian Week of Occupational Safety and Health, as well as in the International Specialised Exhibition and Forum “Occupational Safety and Health”
- Round table on “Sharing Experience in Ensuring Labour Conditions and Safety”, which was held as part of the Network School meeting, involving representatives of the State Labour Inspectorate and the Social Fund of Russia
- Establishment of a Labour Protection Committee at FPC from representatives of the employer and employees on a parity basis

- Consideration of proposals made by the employer, trade union and individual employees to create healthy and safe working conditions, at a meeting of the Labour Protection Committee

Measures to improve the OHS system in 2023

The following documents were put in place in 2023:

- Procedure for organising and passing the regular test of passenger carriage attendants’ knowledge of the rules of working in electrical installations in Joint Stock Company Federal Passenger Company, using the parent company’s DLS. The introduction of this Procedure increased the efficiency of testing passenger carriage attendants’ knowledge of the rules for working in electrical installations, reduced financial costs, and allowed to optimise the time to conduct the knowledge test
- Regulation “Basic Requirements for the Procedure for Development and Content of Labour Protection Rules and Instructions at JSC FPC” 1.07.001.1-2023
- FPC Standard STO FPC 1.07.002.1-2023 “Occupational Health and Safety Management System in Joint Stock Company Federal Passenger Company. Occupational Risk Management and Methodology of Risk Assessment”
- FPC Standard STO FPC 1.07.003.1-2023 “Occupational Health and Safety Management System in Joint Stock Company Federal Passenger Company. Procedure for providing FPC employees with personal protective equipment”

The Company also devised a plan of labour protection measures aimed at reducing occupational injuries in the structural subdivisions of FPC’s branches in 2024.

Plans for 2024

1. To launch a pilot project of transition to alternative personal protective equipment (PPE) (providing employees with PPE and dermatological types of protective means with the involvement of an outsourcing company).
2. To implement measures aimed at reducing the impact of harmful factors in 2024.
3. To implement the Investment Programme on occupational safety, improvement of labour conditions and occupational safety for 2024.
4. To implement the programme for improvement of working conditions and occupational safety for 2024.

The Company is intended to make sure that the number of injury cases in 2024 does not exceed that of the previous year.